

**SHILPA MEDICARE LIMITED**

**WHISTLE BLOWER POLICY  
VIGIL MECHANISM**

## **I. Preamble**

- a. The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour.
- b. The Company is committed to developing a culture where it is safe for all employees to raise concerns about any poor or unacceptable practice and any event of misconduct.
- c. Section 177 read with Rule 7 of The Companies (Meetings of Board and its Powers), 2014 and SEBI (Listing Obligations and Disclosure Requirements), 2015, inter-alia, provides, a mandatory requirement, for all listed companies to establish a mechanism called “Vigil Mechanism(Whistle Blower Policy)” for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company’s code of conduct or ethics policy.
- d. The purpose of this policy is to provide a framework to promote responsible and secure whistle blowing. It protects directors and employees wishing to raise a concern about serious irregularities within the Company.
- e. The policy neither releases directors and employees from their duty of confidentiality in the course of their work, nor is it a route for taking up a grievance about a personal situation.

## **II. Policy**

- a. This Policy is for the Directors and the Employees as defined hereinafter.
- b. The Policy has been drawn up so that the Directors and Employees can be confident about raising a concern.

## **III. DEFINITIONS**

The terms defined in this Policy shall have the meanings herein specified and terms not defined shall have the meanings as defined in the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 including any statutory modifications or reenactments thereof.

**“Act”** means the Companies Act, 2013 including any statutory modification or re-enactment thereof.

**“Audit Committee”** means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013 and read with SEBI (LODR) Regulations, 2015 with the Indian Stock Exchanges.

**“Authorized Officer”** means the Officer appointed by the Board to discharge the designated functions under this Policy including assisting the Committee or Board in receipt, investigation etc., of the disclosures.

**“Director”** means a Director on the board of the Company whether whole-time or otherwise.

**“Disciplinary Action”** means any action that can be taken on the completion of /during the investigation proceedings including but not limiting to a warning, imposition of fine, suspension from official duties or any such action as is deemed to be fit considering the gravity of the matter.

**“Employee”** means every employee of the Company (whether working in India or abroad) including directors in the employment of the Company.

**“Protected Disclosure”** means a concern raised by a written communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.

**“Subject”** means a person against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.

**“Whistle Blower”** is someone who makes a Protected Disclosure under this Policy

**“Whistle Officer” or “Committee”** means an officer or Committee of persons who is nominated/appointed to conduct detailed investigation.

**“Ombudsperson”** will be the chairman of the Audit Committee for the purpose of receiving all complaints under this Policy and ensuring appropriate action.

### **III. Scope:**

- a) This Policy is an extension of the Shilpa’s Code of Conduct. The Whistleblower’s role is that of a reporting party with reliable information. They are not required or expected to act as investigators or finders of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case.
- b) Whistleblowers should not act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by the Chairman of the Audit Committee or the Authorized Officer.
- c) Protected Disclosure will be appropriately dealt with by the Chairman of the Audit Committee or any officer authorized for this purpose, as the case may be.

### **IV. Eligibility:**

All employees and directors of the Company are eligible to make Protected Disclosures under the Policy. The Protected Disclosures may be in relation to matters concerning the Company or its Subsidiaries.

## **V. Guiding Principles:**

To ensure that this Policy is adhered to, and to assure that the concern will be acted upon seriously, the Company will:

- a. Ensure that the Whistle Blower and/or the person processing the Protected Disclosure is not victimized for doing so;
- b. Treat victimization as a serious matter including initiating disciplinary action on such person/(s);
- c. Ensure complete confidentiality.
- d. Not attempt to conceal evidence of the Protected Disclosure;
- e. Take disciplinary action, if any one destroys or conceals evidence of the Protected Disclosure made/to be made;
- f. Provide an opportunity of being heard to the persons involved especially to the Subject;

## **VI. Disqualifications**

- a. While it will be ensured that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action.
- b. Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistle Blower knowing it to be false or bogus or with a mala fide intention.
- c. Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be mala fide, frivolous or malicious shall be liable to be prosecuted under Company's Code of Conduct.

## **VII. Manner in which procedure can be made**

- a. Employees can make Protected Disclosure to Ombudsperson, as soon as possible but not later than 30 consecutive days after becoming aware of the same.
- b. Whistle Blower must put his/her name to allegations. Concerns expressed anonymously WILL NOT BE investigated.
- c. If initial enquiries by the Ombudsperson indicate that the concern has no basis, or it is not a matter to be investigation pursued under this Policy, it may be dismissed at this stage and the decision is documented.
- d. Where initial enquiries indicate that further investigation is necessary, this will be carried through either by the Ombudsperson alone, or by a Whistle Officer/Committee nominated by the Ombudsperson for this purpose. The investigation would be conducted in a fair manner, as a neutral fact-finding process and without presumption of guilt. A written report of the findings would be made.
- e. Name of the Whistle Blower shall not be disclosed to the Whistle Officer/Committee unless required for the purpose of investigation.
- f. The Ombudsperson/Whistle Officer/Committee shall:

- i) Make a detailed written record of the Protected Disclosure. The record will include:
    - Facts of the matter
    - Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
    - Whether any Protected Disclosure was raised previously against the same Subject;
    - The financial/ otherwise loss which has been incurred / would have been incurred by the Company.
    - Findings of Ombudsperson/Whistle Officer/Committee;
    - The recommendations of the Ombudsperson/Whistle Officer/Committee on disciplinary/other action/(s).
  - ii) The Whistle Officer/Committee shall finalize and submit the report to the Ombudsperson within 15 days of being nominated/appointed, unless more time is required under exceptional circumstances.
- g. On submission of report, the Whistle Officer /Committee shall discuss the matter with Ombudsperson who shall either:
- In case the Protected Disclosure is proved, accept the findings of the Whistle Officer /Committee and take such Disciplinary Action as he may think fit and take preventive measures to avoid reoccurrence of the matter;
  - In case the Protected Disclosure is not proved, extinguish the matter;
- Or
- Depending upon the seriousness of the matter, Ombudsperson may refer the matter to the Audit Committee for necessary action with its proposal. In case the Audit Committee thinks that the matter is too serious, it can further place the matter before the Board with its recommendations. The Board may decide the matter as it deems fit.
- h. In exceptional cases, where the Whistle Blower is not satisfied with the outcome of the investigation and the decision, s/he can make a direct appeal to the Chairman of the Audit Committee.

## **VIII. Protection**

- a. No unfair treatment will be meted out to a Whistleblower by virtue of his/her having reported a Protected Disclosure under this Policy. The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistleblowers. Complete protection will, therefore, be given to Whistle blowers against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the

Whistleblower's right to continue to perform his/her duties/functions including making further Protected Disclosure. The Company will take steps to minimize difficulties, which the Whistleblower may experience as a result of making the Protected Disclosure. Thus, if the Whistleblower is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Whistle blower to receive advice about the procedure, etc.

- b. A Whistleblower may report any violation of the above clause to the Chairman of the Audit Committee, who shall investigate into the same and recommend suitable action to the management.
- c. The identity of the Whistleblower shall be kept confidential to the extent possible and permitted under law. Whistleblowers are cautioned that their identity may become known for reasons outside the control of the Ethics Counsellor / Chairman of the Audit Committee (e.g. during investigations carried out by Investigators).
- d. Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistleblower.

#### **IX. Secrecy/Confidentiality**

The Whistle Blower, the Subject, the Whistle Officer and every one involved in the process shall:

- maintain complete confidentiality/ secrecy of the matter
- not discuss the matter in any informal/social gatherings/ meetings
- discuss only to the extent or with the persons required for the purpose of completing the process and investigations
- not keep the papers unattended anywhere at any time
- keep the electronic mails/files under password
- If any one is found not complying with the above, he/ she shall be held liable for such disciplinary action as is considered fit.

#### **X. Decision**

If an investigation leads the Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Chairman of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as the Chairman of the Audit Committee deems fit. It is clarified that any disciplinary or corrective action initiated against the Subject as a result of the findings of an investigation pursuant to this Policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures.

A quarterly report with number of complaints received under the Policy and their outcome shall be placed before the Audit Committee and the Board.

**Few list of Coverage of Policy**

The Policy covers malpractices and events which have taken place/ suspected to take place involving but not limited to:

1. Abuse of authority
2. Breach of contract
3. Negligence causing substantial and specific danger to public health and safety
4. Manipulation of company data/records
5. Financial irregularities, including fraud, or suspected fraud
6. Criminal offence
7. Pilferage of confidential/propriety information
8. Deliberate violation of law/regulation
9. Wastage/misappropriation of company funds/assets
10. Breach of employee Code of Conduct/Ethics Policy or Rules
11. Any other unethical, biased, favored, imprudent event.
12. Leak of Unpublished Price Sensitive Information or suspected leak of Unpublished Price Sensitive Information.

**XI. Retention of documents:**

All Protected Disclosures in writing or documented along with the results of investigation relating thereto shall be retained by the Company for a minimum period of eight years.

**Amendment:**

The Board may review the policy from time to time and amend appropriately to ensure conformity with the applicable Acts/Rules/Regulations including amendments thereof.

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